



CITY OF CARLSBAD – AGENDA BILL

AB# _____	REPORT ON CITY INVESTMENTS	DEPT. HEAD _____
MTG. _____	AS OF SEPTEMBER 30, 2007	CITY ATTY. _____
DEPT. TRS		CITY MGR. _____

RECOMMENDED ACTION:

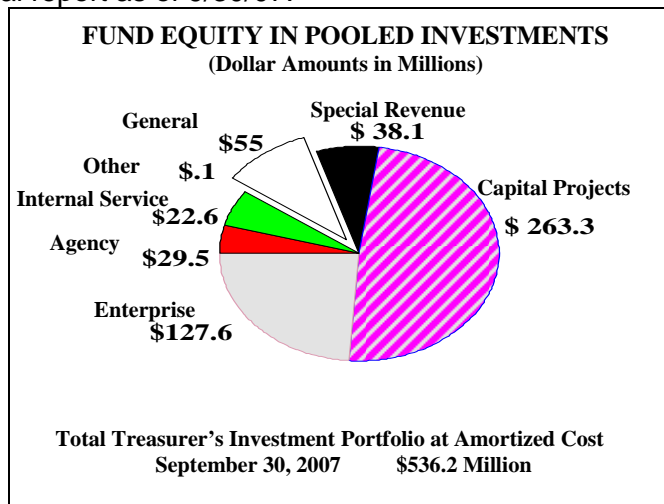
Accept and file report.

ITEM EXPLANATION:

The City's Investment Policy requires the City Treasurer to report to the City Council on a monthly basis the status of the City's pooled investment portfolio. A quarterly report is also required for the investments of bond proceeds held separately. The City's pooled investment portfolio as of the month ended September 30, 2007 is summarized below.

Pooled Investment Portfolio (Cash and Securities)		
	Current Month	Prior Month
Par Value	536,067,733	535,687,835
Cost of Investments	535,221,056	534,722,530
Amortized Cost (1)	536,181,350	535,663,242
Market Value (2)	537,756,329	535,662,025

- (1) The cost of investments adjusted for amortized premiums and discounts.
 (2) The amount at which the investments could be sold. Source of market values is Union Bank of California's custodial report as of 9/30/07.



FOR CITY CLERKS USE ONLY.

COUNCIL ACTION:	APPROVED <input type="checkbox"/>	CONTINUED TO DATE SPECIFIC <input type="checkbox"/> _____
	DENIED <input type="checkbox"/>	CONTINUED TO DATE UNKNOWN <input type="checkbox"/>
	CONTINUED <input type="checkbox"/>	RETURNED TO STAFF <input type="checkbox"/>
	WITHDRAWN <input type="checkbox"/>	OTHER – SEE MINUTES <input type="checkbox"/>
	AMENDED <input type="checkbox"/>	

DEPARTMENT CONTACT: Nancy Sullivan (760) 602-2473 nsull@ci.carlsbad.ca.us

Pooled Investment Interest Income			
	Current Month FYTD	Prior Month FYTD	Current Month Income
Cash Income Fiscal Year-to-Date *	7,124,453	5,423,698	1,700,755

*The cash income received is adjusted for any accrued interest purchased.

Pooled Investment Performance/M Measurement			
	Average Life (Years)	Average Yield To Maturity	Modified Duration
July 2007	1.87	4.50%	1.681
August 2007	2.02	4.61%	1.831
September 2007	1.99	4.64%	1.808

All pooled investments have been made in accordance with the City's Investment Policy adopted January 2, 1985 and last revised February 13, 2007. All investments were initially made in accordance with the City's Investment Policy. Events subsequent to the purchase might have resulted in some investments not being in compliance with the current policy. These events are typically a change in the City's Investment Policy, a change in the credit rating subsequent to a purchase, or a temporary reduction in total portfolio assets. See Exhibit 8 for details.

The pooled investment portfolio has the ability to meet the City's cash flow demands for the next six (6) months.

In summary, the City's investments of bond proceeds held separately as of the quarter ended September 2007 is as follows:

Investment Portfolio for Bond Proceeds		
	Current Quarter	Prior Quarter
Par Value	22,095,001	24,968,347
Cost	22,095,001	24,968,347

All investments of bond proceeds have been made in accordance with the City's Investment Policy and the trust indenture for each issue.

EXHIBITS FOR POOLED INVESTMENTS:

1. Investment Portfolio Breakdown By Amortized Cost, Market Value, Cash Income, and Average Yield
2. Investment Portfolio Breakdown Of Maturities
3. Yield Comparison Graph
4. Market Yield Curve
5. Cumulative Cash Income Graph

**CITY OF CARLSBAD INVESTMENT PORTFOLIO
AS OF SEPTEMBER 30, 2007**

BREAKDOWN BY AMORTIZED COST, MARKET VALUE, CASH INCOME, AND AVERAGE YIELD BY CLASS

<u>Class</u>	<u>AMORTIZED COST</u>		<u>MARKET VALUE</u>		<u>Cash Income Year to Date</u>	<u>AVERAGE YIELD</u>	
	<u>Current Month</u>	<u>Prior Month</u>	<u>Current Month</u>	<u>Prior Month</u>		<u>Current Month</u>	<u>Prior Month</u>
CD	504,092	504,092	504,092	504,092	5,958	4.47	4.47
FN	0	0	0	0	0	0.00	0.00
CP	0	0	0	0	0	0.00	0.00
TR	0	0	0	0	0	0.00	0.00
FA	449,903,135	456,744,385	451,516,565	456,841,887	5,695,370	4.57	4.53
CN	54,139,482	53,160,022	54,101,031	53,061,304	907,443	5.04	5.04
LAIF	27,775,000	22,748,440	27,775,000	22,748,440	487,281	5.25	5.25
CUSTODY	(9,211)	847	(9,211)	847	2,087	4.45	4.72
SWEEP	2,686,951	2,042,099	2,686,951	2,042,099	26,315	3.87	4.00
BANK ACCT	1,181,901	463,357	1,181,901	463,357	0	3.87	4.00
TOTALS	\$536,181,350	\$535,663,242	\$537,756,329	\$535,662,025	\$7,124,453	4.64%	4.61%

CD - Certificate of Deposit
FN - Federal Discount Notes
CP - Corporate Paper

TR - US Treasury
FA - Federal Agency
CN - Corporate Notes

LAIF - Local Agency Investment Fund
Custody - Union Bank of California Cash account
SWEEP - Wells Fargo Bank Overnight Cash account
Bank Account - Wells Fargo Bank Cash account

**CITY OF CARLSBAD INVESTMENT PORTFOLIO
AS OF SEPTEMBER 30, 2007**

BREAKDOWN OF MATURITIES BY CLASSIFICATION AND LENGTH OF TIME

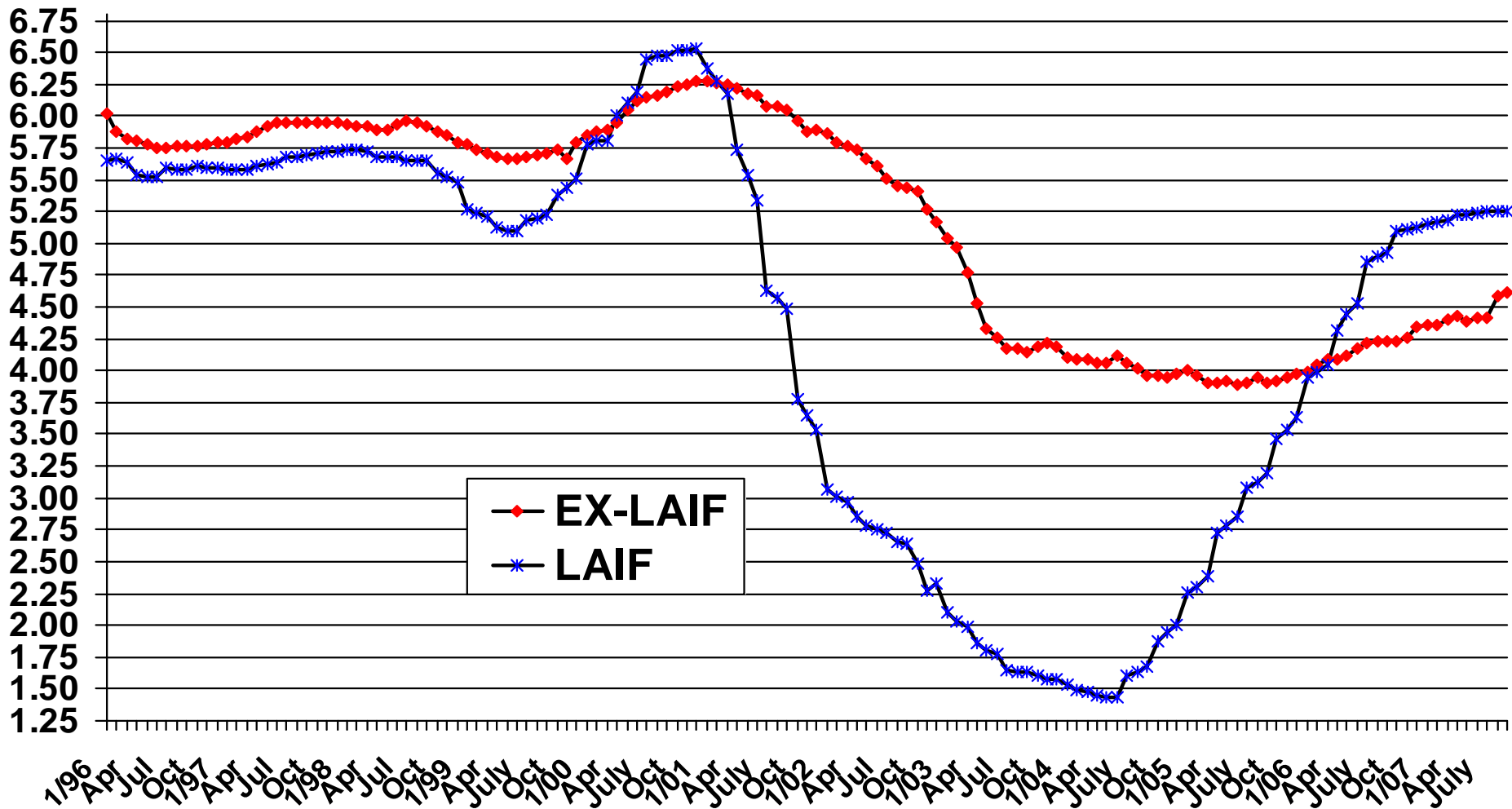
<u>CLASS</u>	<u>WITHIN 6 MONTHS</u>	<u>7 MONTHS TO 1 YEAR</u>	<u>1 TO 5 YEARS</u>	<u>TOTAL</u>	<u>% TOTAL</u>
CD	504,092	0	0	504,092	0.1%
FN	0	0	0	0	0.0%
CP	0	0	0	0	0.0%
TR	0	0	0	0	0.0%
FA	39,190,911	87,280,242	322,479,564	448,950,717	83.9%
CN	2,999,690	0	51,131,917	54,131,607	10.1% (2)
LAIF	27,775,000	0	0	27,775,000	5.2%
CUSTODY	(9,211)	0	0	(9,211)	0.0%
SWEEP	2,686,951	0	0	2,686,951	0.5%
BANK ACCT	1,181,901	0	0	1,181,901	0.2%
TOTALS	\$74,329,333 (1)	\$87,280,242 (1)	\$373,611,480	\$535,221,056	100.0%
% TOTALS	13.9%	16.3%	69.8%	100.0%	
Total within One Year		\$161,609,575 (1) 30.2%			

POLICY: (1) Not less than \$128,200,000 to mature within one year. (2/3rds of current year operating budget of \$192,300,000.00
(2) Policy states that not more than 30% of portfolio is to be invested in corporate notes

YIELD COMPARISON

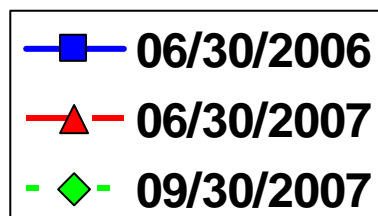
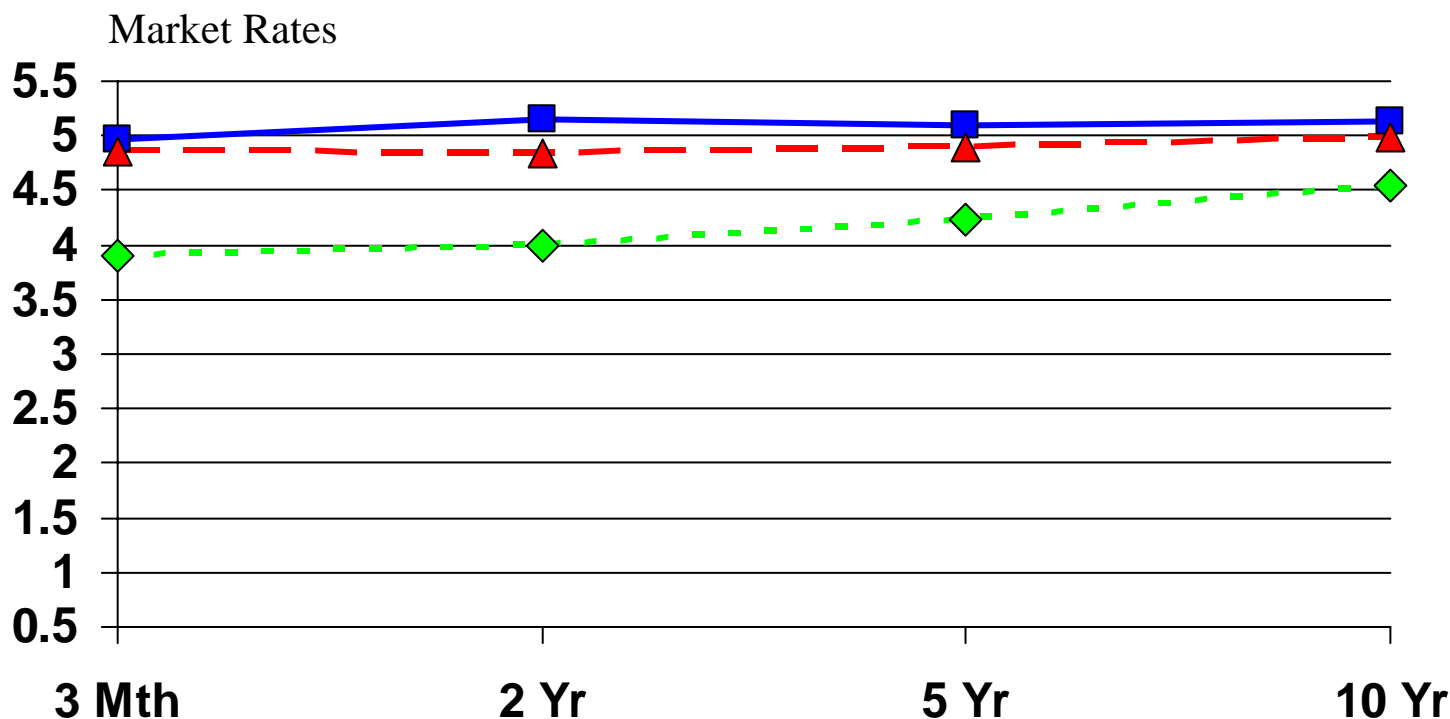
PORTFOLIO EX-LAIF VS. LAIF

JULY 1996 – SEPTEMBER 2007



MARKET YIELD CURVE

6/30/06, 6/30/07, 9/30/07



	3 Mth	2 Yr	5 Yr	10 Yr
06/30/2006	4.98	5.15	5.09	5.14
06/30/2007	4.86	4.84	4.89	4.99
09/30/2007	3.90	4.00	4.23	4.55

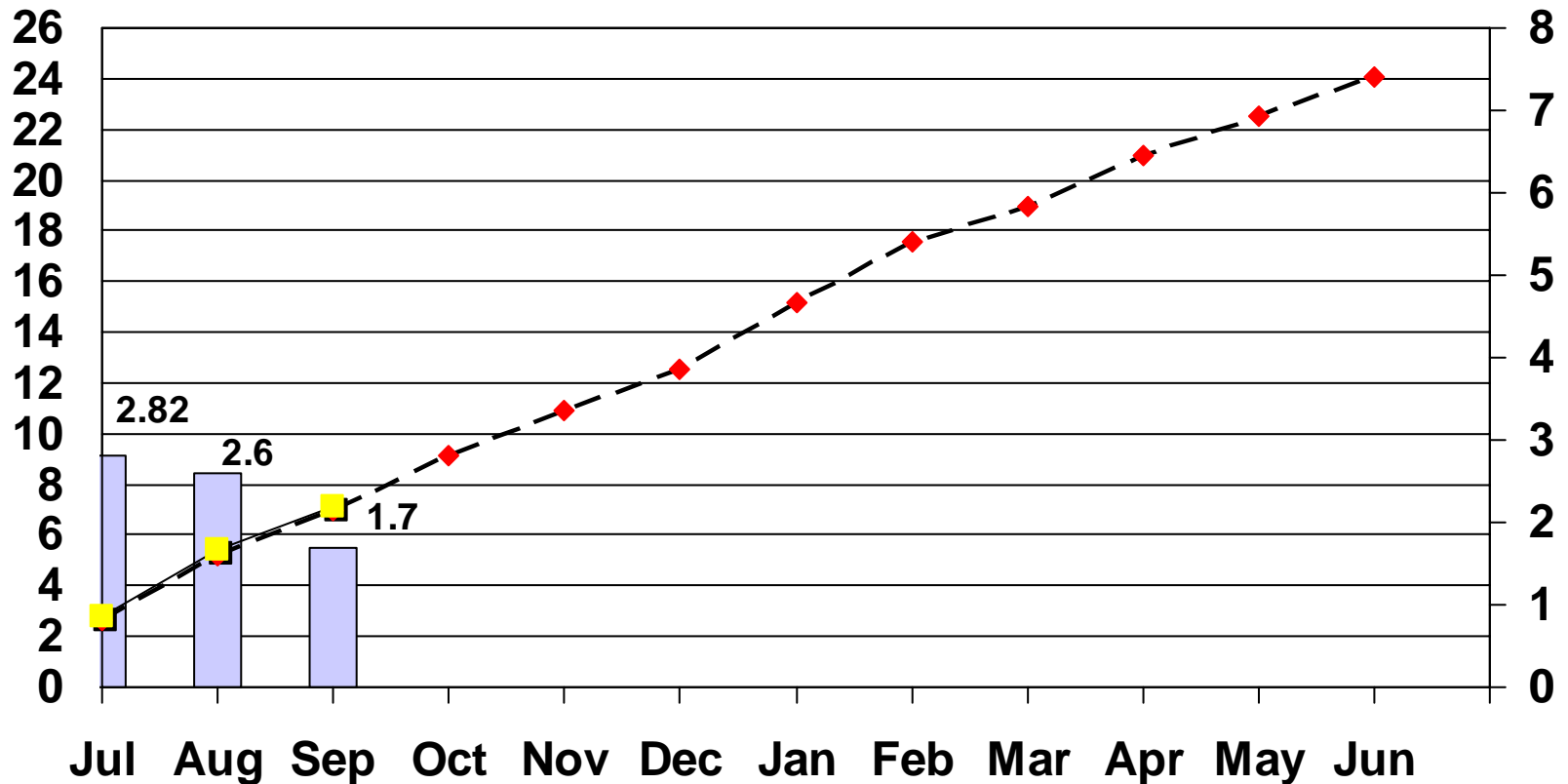
Cumulative Cash Income

FY07-08

(July 07 - June 08)

Cumulative
Millions \$

Monthly Interest Income
Millions \$



Interest Income - - ♦ - Budget — ■ — Actual